IFW

Feb. 8, 2007

Abdul Basit
James Trammell
Patent Exam Technology Center

Dear Abdul,

Thank you for your review of my patent application 10/026,028.

Enclosed are two articles showing how clearly brokerage accounts that do it all have not addressed any issues regarding credit card debt and the national savings rate considering these methods have been apparently available for some time?

A cursory exam of Fidelity's web site shows no product of a debt consolidation, a way to back this new loan with a margin account, build an investment account that sends its dividend and capital gains to reduce the debt owed, apply a multi payment stream, biweekly or other to accelerate that payoff, then capturing this client to an invest and save account after the aggressive debt elimination in one process.

Cash management accounts appear to be initiated by a minimum account balance of an asset already accumulated, a money market interest rate credited back to that balance, and an offer of a credit card for spending purposes. No mention of debt elimination or consolidation for a customer without a large deposit readily available.

Perhaps, you know an account or company that has strung all of these obvious financial tools together in such a way to tackle debt and savings in one package. I do not see anything out there. Perhaps, I need to look harder. American Express has a card with savings now but no mention again, of consolidation and use of stocks or mutual funds into that savings for growth.

Meanwhile, the will of an American consumer is that of spend and debt, obviously. A cash value policy can be easily had at any insurance company combining insurance and investments. I just thought it might be possible to have a process where a customer might be able to pull tools together in one process for the betterment of all.

Sincerely,

William J. Hurley

William J. Hurley

Formerly at 95 N. River Rd. #12
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DEBTSMART

Sunday, February 4, 2007

Credit Card and Debt Statistics Database

by Scott Bilker

Scott Bilker is the author of the best-selling books, *Talk Your Way Out of Credit Card Debt*, *Credit Card and Debt Management*, and *How to be more Credit Card and Debt Smart*. He's also the founder of DebtSmart.com. More about Scott Bilker and DebtSmart can be found in the online media kit.

Credit Card Debt Rises

In September, consumer credit rose a revised $4 billion, well above the previously reported drop of $1.2 billion. Consumer credit fell at a 0.6% annual rate in October, the biggest decline since October 1992, the Fed said. Non-revolving credit fell at a 3.3% annual pace in October, which was the largest decline since a 3.4% decrease in May of 1993, according to the Fed. Revolving credit gained at a 4.1% annual rate in October on top of a 4.9% increase the prior month.

Categories: Credit Cards,Consumer Credit
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Article Title: Consumer borrowing slows, but credit card debt rises
Article Author: Reuters
Pub's Source: Federal Reserve Board
Source URL: View details from source

MSNBC.com

Personal savings drop to a 74-year low

Development comes as 78 million boomers nearing retirement

The Associated Press

Updated: 2:02 p.m. ET Feb 1, 2007

WASHINGTON - People once again spent everything they made and then some last year, pushing the personal savings rate to the lowest level since the Great Depression more than seven decades ago.

The Commerce Department reported Thursday that the savings rate for all of 2006 was a negative 1 percent, meaning that not only did people spend all the money they earned but they also dipped into savings or increased borrowing to finance purchases. The 2006 figure was lower than a negative 0.4 percent in 2005 and was the poorest showing since a negative 1.5 percent savings rate in 1933 during the Great Depression.

For December, consumer spending rose a solid 0.7 percent, the best showing in five months, while incomes rose by 0.5 percent, both figures matching Wall Street expectations.

The savings rate has been negative for an entire year only four times in history — in 2005 and 2006 and in 1933 and 1932. However, the reasons for the decline in the savings rate were vastly different during the two periods.

During the Great Depression when one-fourth of the labor force was without a job, people dipped into savings in an effort to meet the basic necessities of shelter and clothing.

Economists have put forward various reasons to explain the current lack of savings. These range from a feeling on the part of some people that they do not need to save because of the run-up in their investments such as homes and stock portfolios to an effort by many middle-class wage earners to maintain their current lifestyles even though their wage gains have been depressed by the effects of global competition.

Whatever the reason for the low savings, economists warn that it the phenomenon exists at a particularly bad time with 78 million baby boomers approaching retirement age. Instead of building up savings to use during retirement, baby boomers are continuing to spend all their earnings.

The savings rate is computed by taking the amount of personal income left after taxes are paid, an amount known as disposable income and subtracting the amount of spending. Since the figure has dipped into negative territory, it means consumers are spending all of disposable income and then some.

For December, the savings rate edged down to a negative 1.2 percent, compared to a negative 1 percent in November. The savings rate has been in negative territory for 21 consecutive months.

The 0.7 percent rise in personal spending was the best showing since a similar gain in July. It followed increases of 0.5 percent in November and 0.3 percent in October and reflected solid spending by consumers during the Christmas shopping season.

Consumer spending posted a solid rebound in the final three months of the year, helping to lift overall economic growth to a rate of 3.5 percent during that period, up significantly after lackluster growth

rates in the spring and fall.

Incomes were up 0.5 percent in December, the best showing since a similar increase in September.

On the inflation front, a gauge tied to consumer spending that is preferred by the Federal Reserve edged up by 0.1 percent in December. This gauge, which excludes volatile food and energy prices, was up 2.2 percent over the past 12 months ending in December, still above the Fed's comfort zone of 1 percent to 2 percent.

URL: http://www.msnbc.msn.com/id/16922582/